

Looking Ahead to 2021: How COVID-19 Continues to Impact the Dental Care Sector

Insights from Data for the Week of January 18th

Today



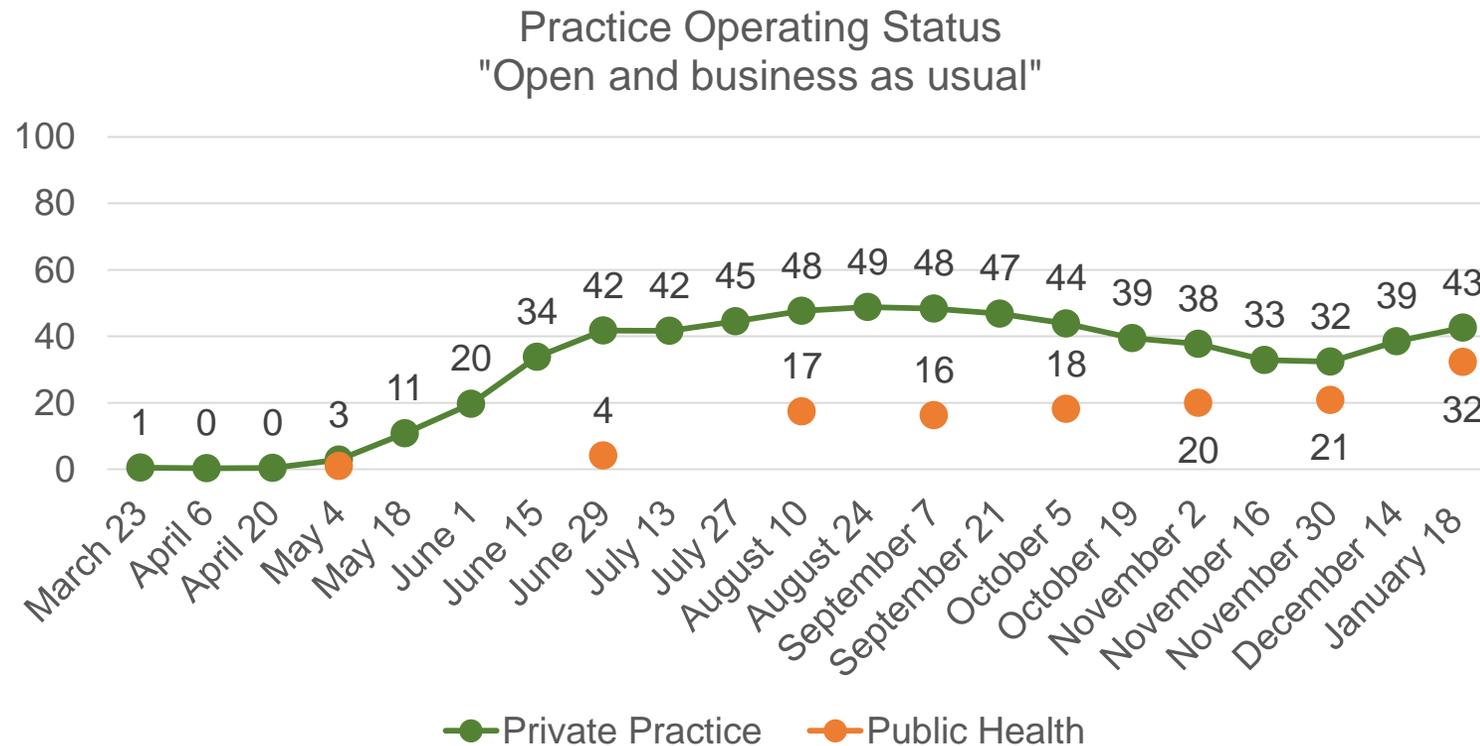
1. *Update on the latest data on dental sector recovery – week of January 18th – including outlook for 2021.*
2. *'Question of the Week' data on COVID-19 vaccine confidence among the dental team and communication with patients.*
3. *The latest consumer sentiment data related to dental visits and COVID-19 vaccines.*

HPI Impact of COVID-19 Tracking Poll

- Poll of private practice dentists beginning March 23, 2020. Administered on a biweekly basis throughout 2020 and on a monthly basis in 2021.
- Core measures: Status of your practice, volume of patients, PPE supply, financial sustainability.
- “Question(s) of the Week”.
- Nationally representative sample of about 3,000 dentists. State level data is available for many states.
- Links to reports and interactive data dashboard available at www.ada.org/hpi.

Core Questions

What is the current status of your dental practice?

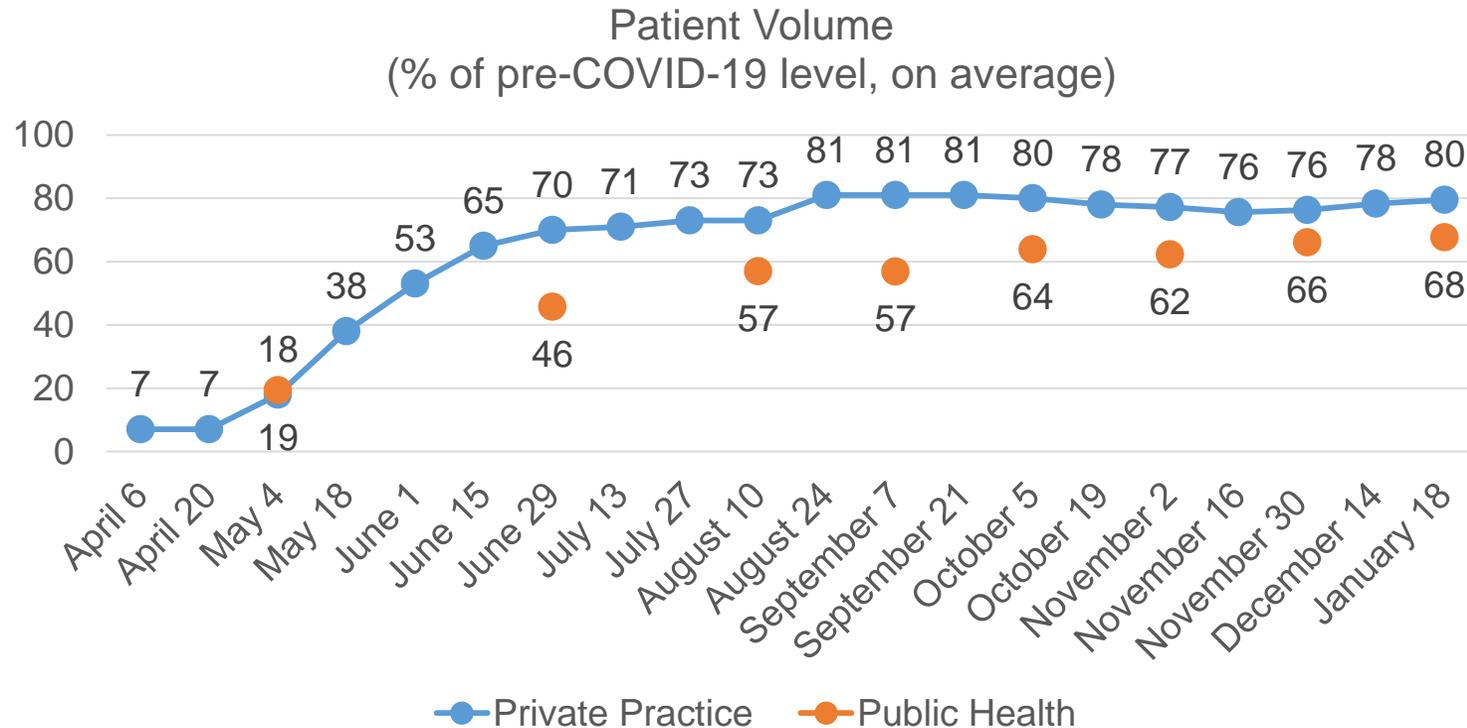


Insight: As of the week of January 18th, 99% of dental practices in the U.S. were open, and 43% of practices reported "business as usual" in terms of patient volume.

Core Questions

How does this week compare to what is typical in your practice, in terms of... *

Total Patient Volume



Insight: Patient volume in private practices was at 80% of pre-COVID-19 levels as of the week of January 18th, and volume in public health settings was at 68% of pre-COVID-19 levels. These represent slight increases over the past couple months.

Altarum Health Sector Economic Indicators

Exhibit 3. Cumulative Spending Growth since Jan 2020, by Major Categories (Percent Difference for Sept 2020 Shown in Data Labels)

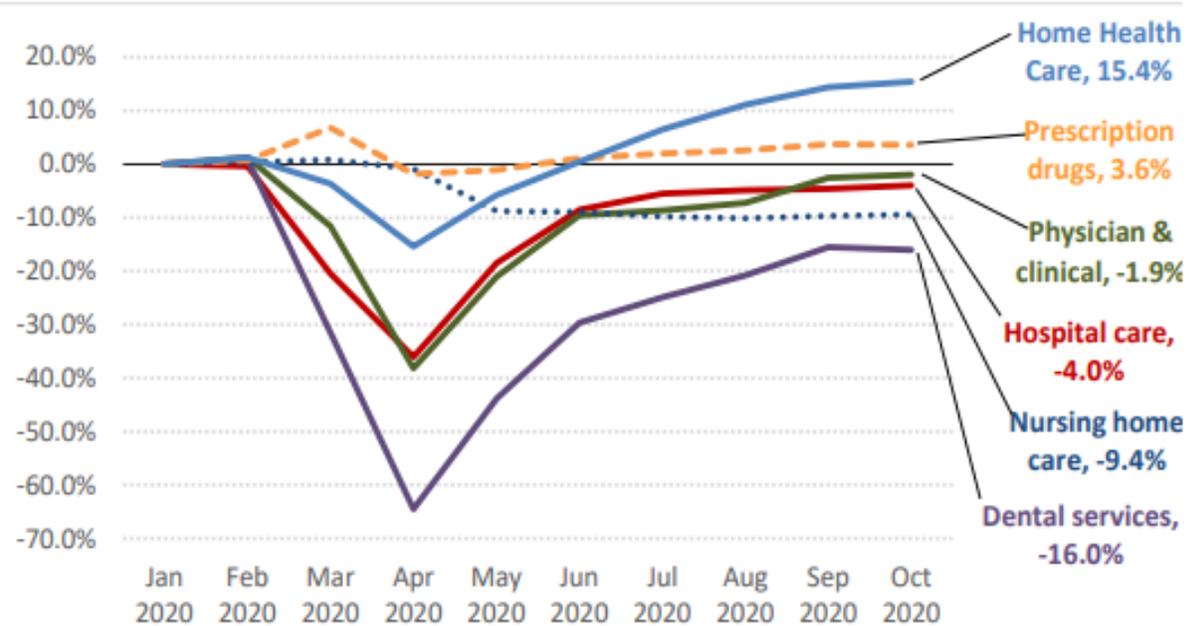


Exhibit 8. Implicit Health Care Utilization by Major Components of National Health Expenditures

	Oct. 2020	3-Month Moving Average	12-Month Moving Average
Total health care	-2.9%	-3.6%	-5.3%
Hospital care	-6.9%	-7.0%	-8.8%
Physician and clinical services	-0.3%	-2.0%	-4.8%
Prescription drugs	5.5%	4.5%	4.8%
Nursing home care	-12.8%	-12.7%	-6.2%
Dental Services	-17.6%	-18.6%	-20.8%
Home health care	15.5%	12.5%	1.5%
Other professional services	-4.2%	-3.7%	-3.2%
Other personal health care	0.8%	1.0%	1.8%
Other nondurable medical products	11.5%	10.6%	5.6%
Durable medical equipment	-1.8%	-1.1%	-5.9%

Source: Altarum analysis of monthly BLS data combined with Altarum HSEI spending data.

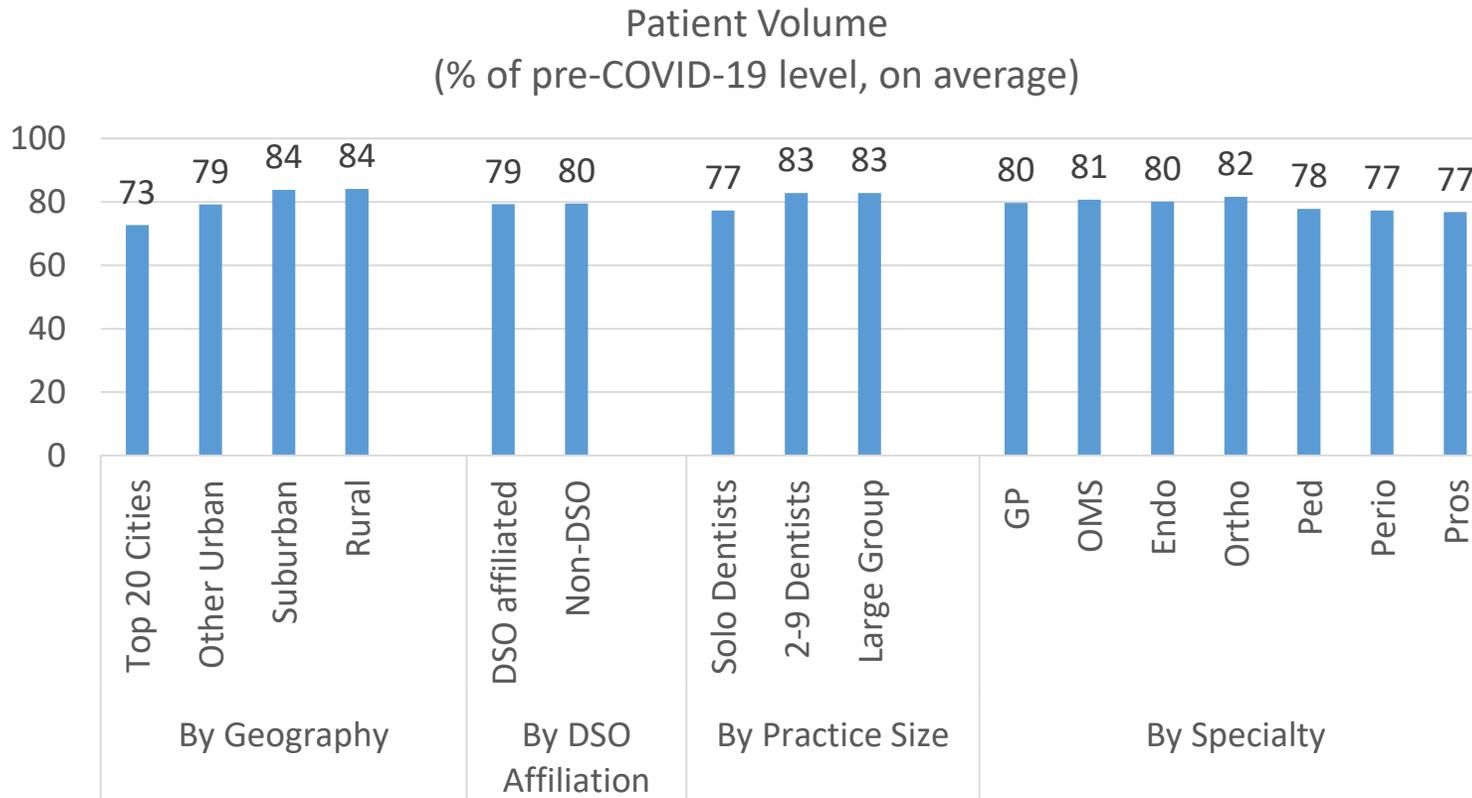


<https://altarum.org/publications/december-2020-health-sector-economic-indicators-briefs>

Core Questions

How does this week compare to what is typical in your practice, in terms of... *

Total Patient Volume

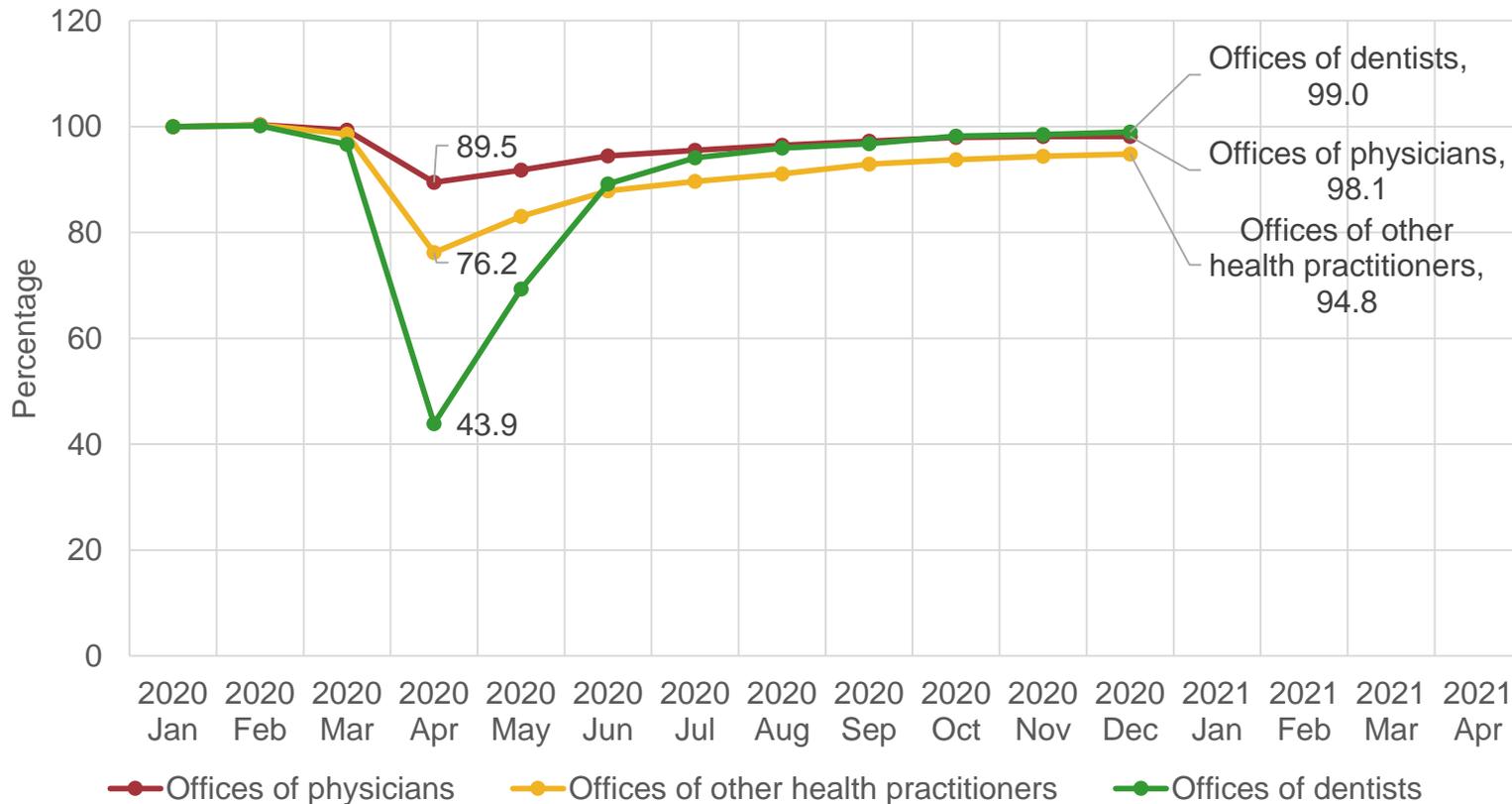


Insight: Patient volume varied to some extent by geography, DSO affiliation, practice size, and specialty.

The highest patient volumes as of the week of January 18th were reported by dentists practicing in rural and suburban areas and dentists in group practices.

BLS Employment in Dental Offices

Employment as a Percentage of January 2020 Employment, by Health Care Industry

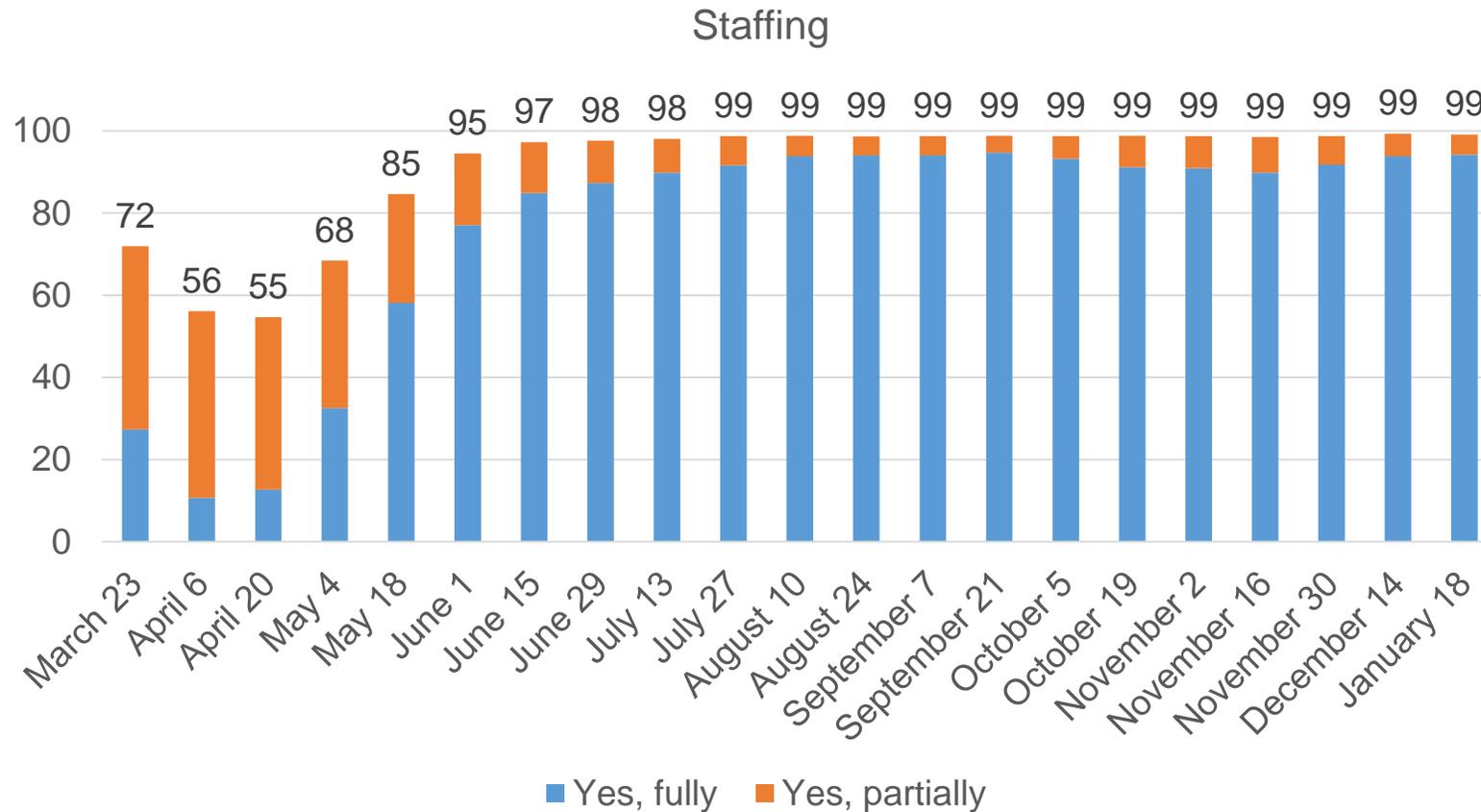


Insight: According to BLS data, employment in dental offices is back up to 99% of pre-COVID-19 levels as of the end of December.

<https://www.bls.gov/news.release/empsit.t17.htm>

Core Questions

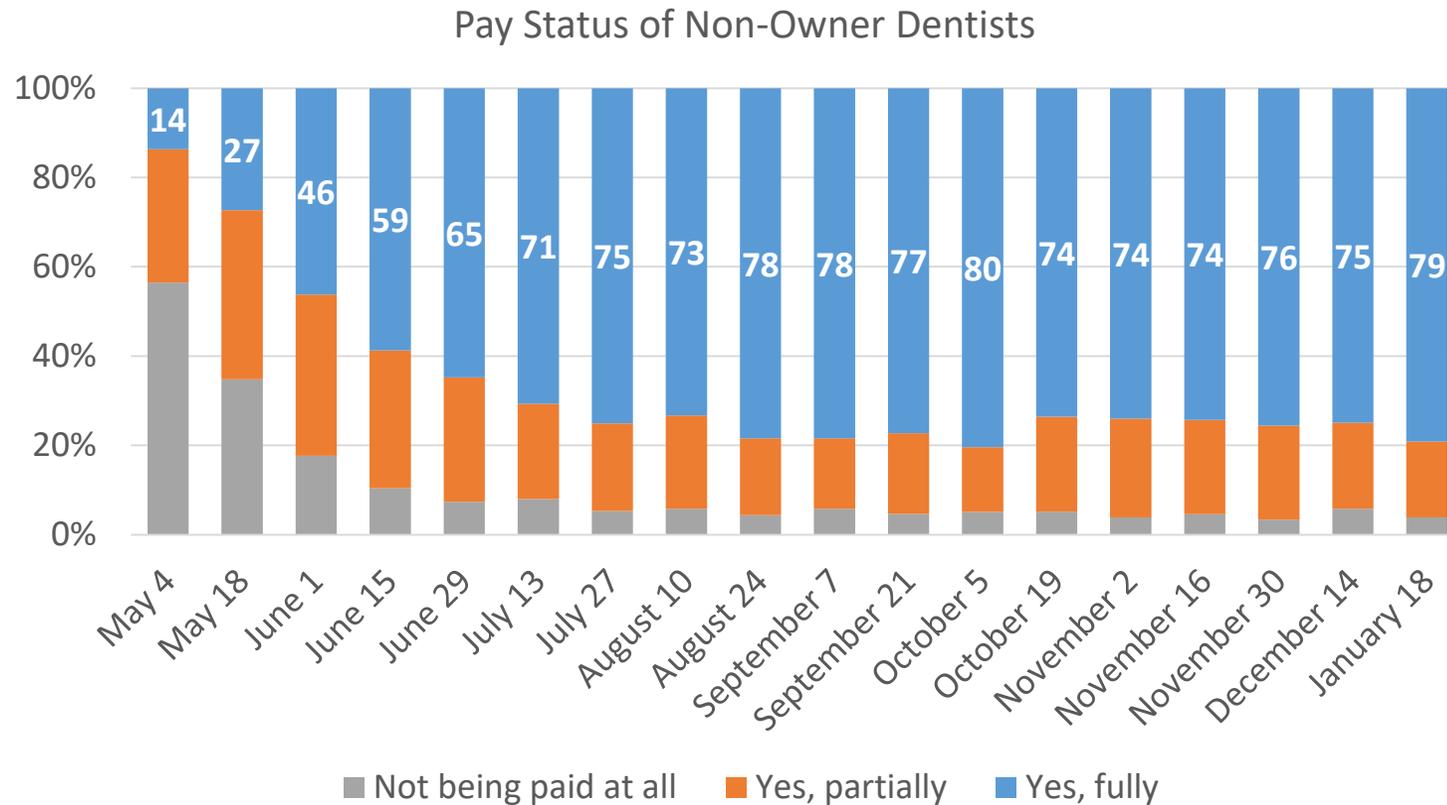
Is your dental practice paying staff this week?



Insight: Roughly 94% of dental practices were paying their staff fully and another 5% were partially paying their staff as of the week of January 18th. Staffing is stable.

Core Questions

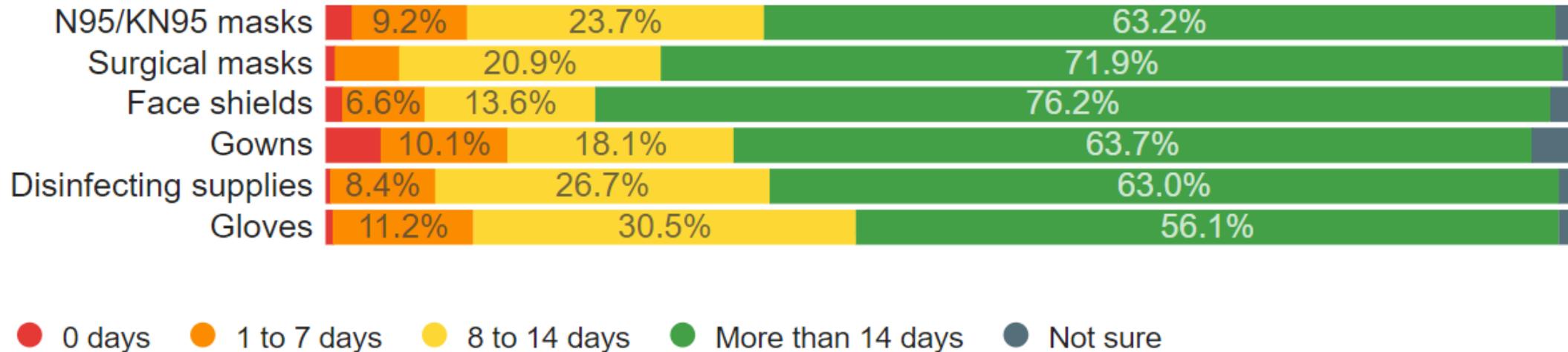
[If non-owner dentist] Are YOU being paid this week?



Insight: Employee dentists have seen the biggest lingering employment effect. However, nearly 80% of employee dentists were being paid fully as of the week of January 18th, representing a slight increase over the past few months.

Core Questions

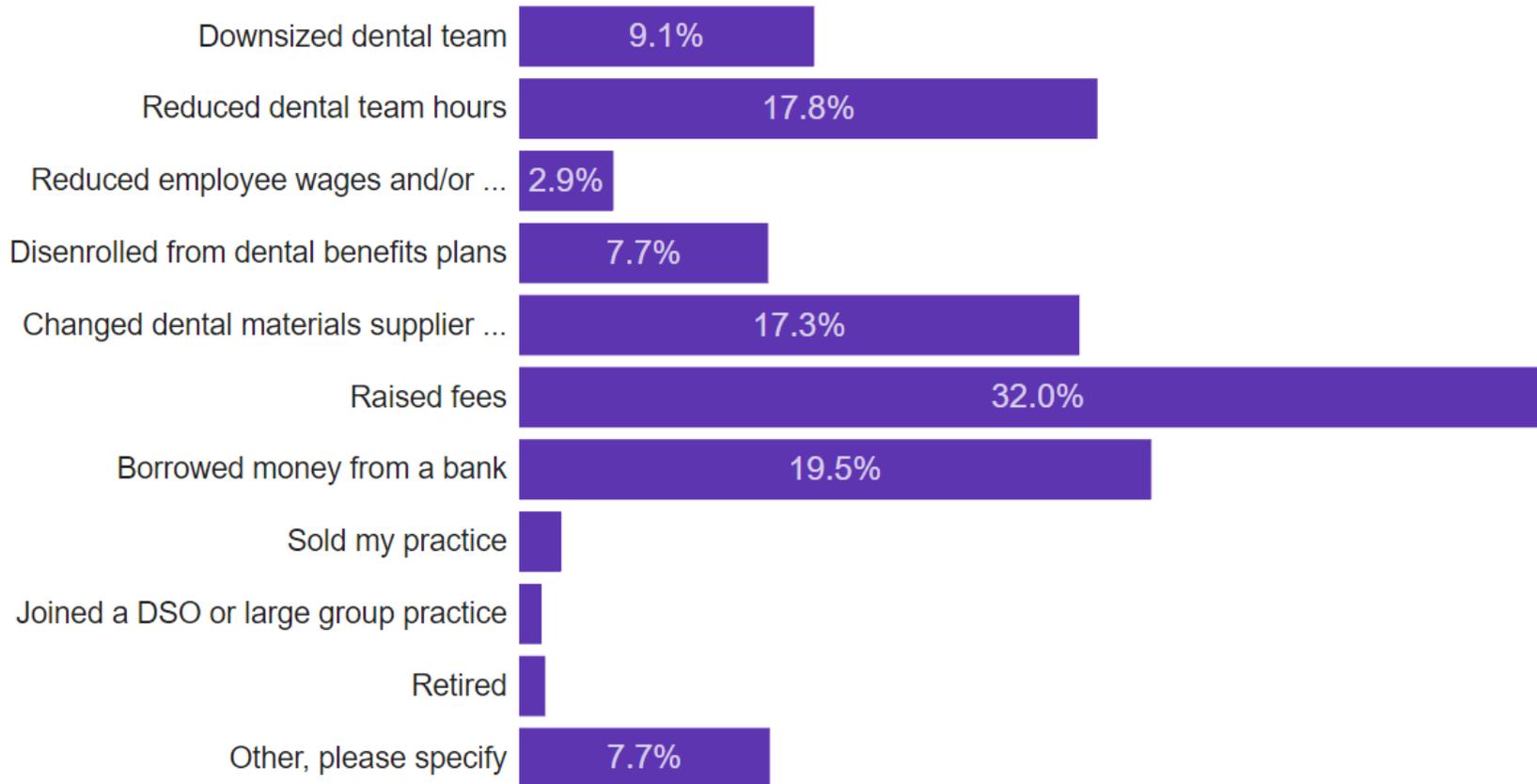
How many days' worth of the following PPE does your practice have at this time?



Insight: PPE availability in dental practices has been stable for several months. Gloves, N95/KN95s, disinfecting supplies, and gowns remain an issue for some.

Core Questions

In the last month, have you taken any of the following measures to maintain the financial sustainability of your dental practice?



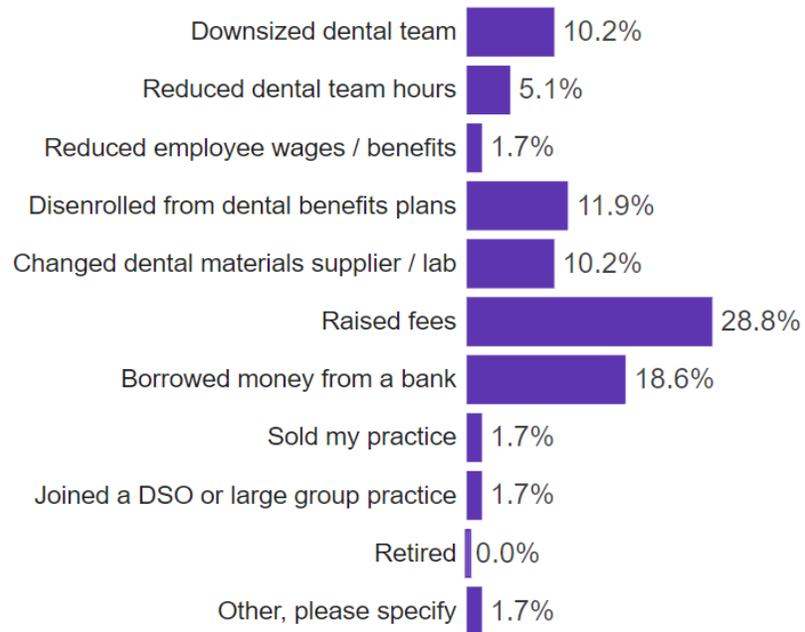
Insight: Nearly a third of dentists last month raised fees. Others borrowed from a bank, reduced their dental team hours, and changed their materials suppliers.

Retirement rates have not changed due to COVID-19.

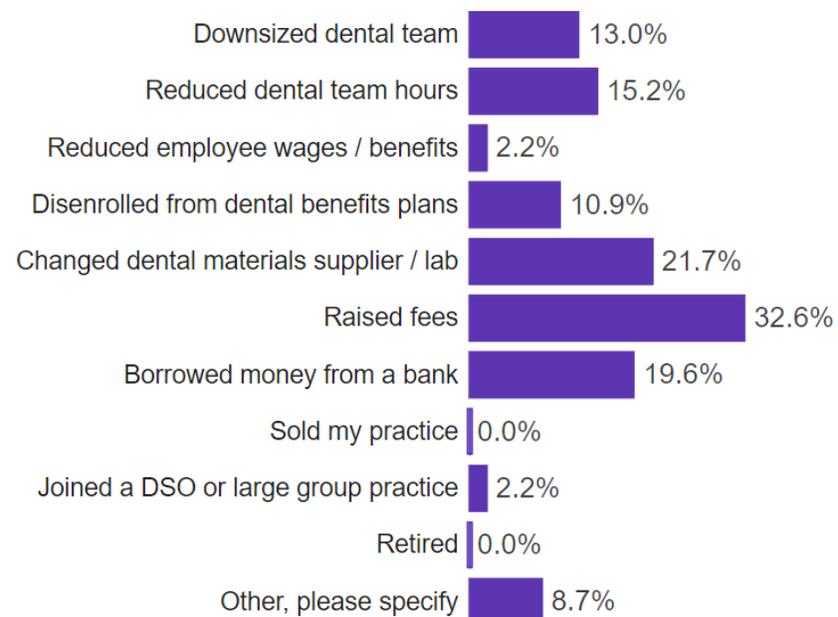
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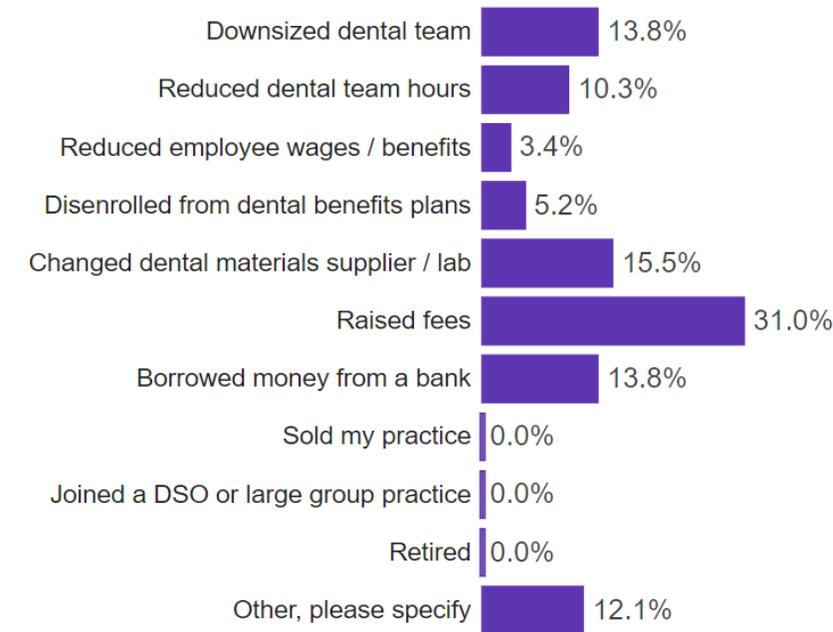
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ENDO



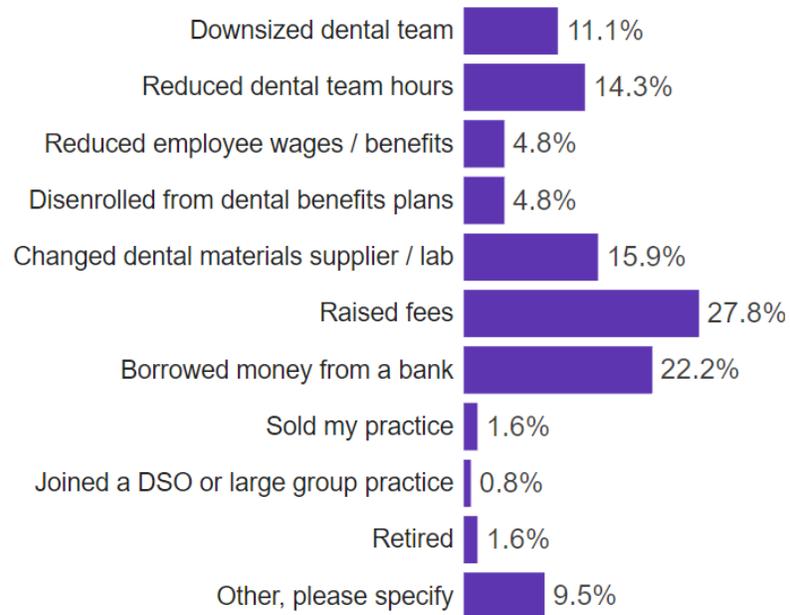
ORTHO



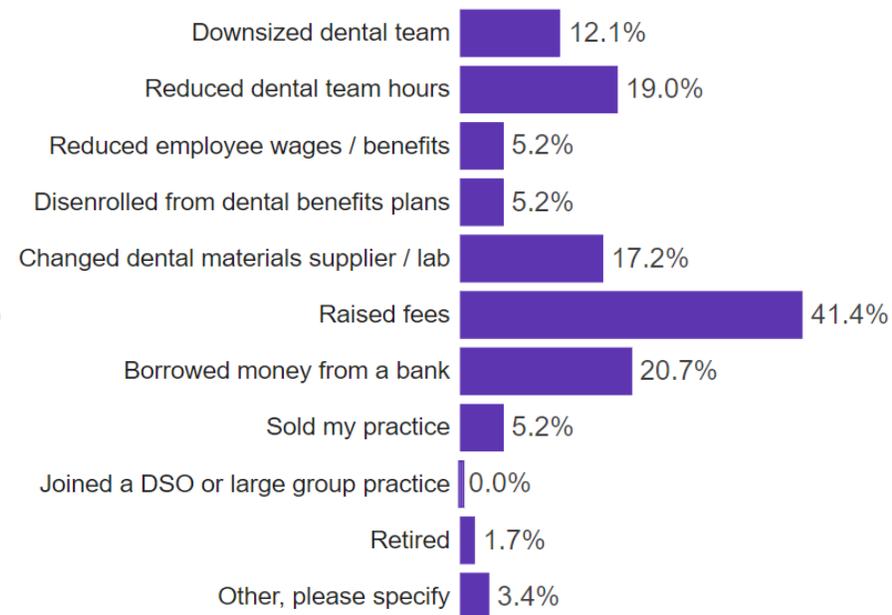
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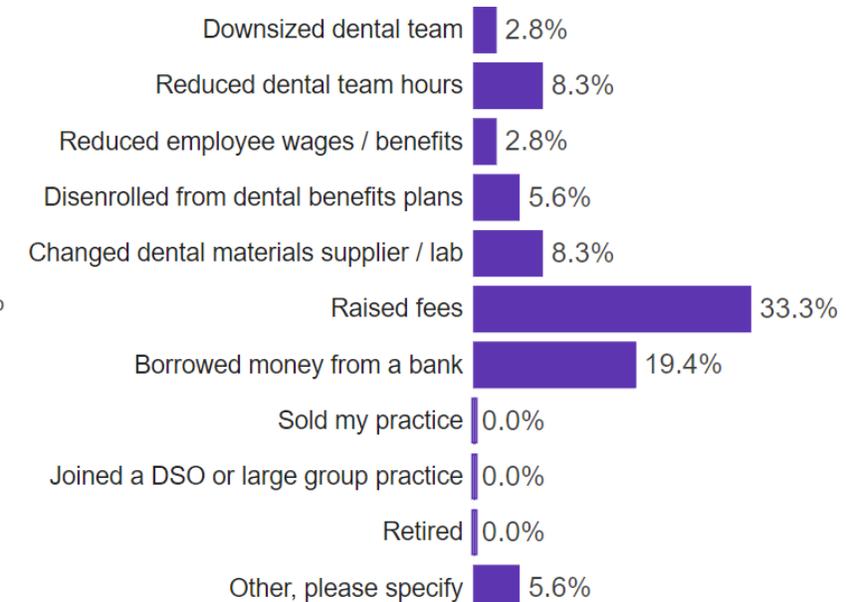
PED



PERIO



PROS



Question of the Week

Are you applying for a Second Draw Paycheck Protection Program (PPP) loan?



- Yes, I have already applied.
- Yes, I am in the process of applying or will apply before the deadline.
- No, I am not interested in applying for the Second Draw.
- I am undecided at this time.

Insight: The majority of dentists have already applied for or are in the process or applying for the Second Draw PPP loan.

Question of the Week

Please select the statement that best represents your staff's confidence or skepticism in the safety and effectiveness of the COVID-19 vaccines.



- Most or all of my staff are confident in the safety and effectiveness of the vaccines.
- My staff are about equally divided about the safety and effectiveness of the vaccines.
- Most or all of my staff are skeptical about the safety and effectiveness of the vaccines.
- I am not sure how my staff feel about the vaccines.

Insight: According to dentists, there is by no means unanimously strong confidence in the safety and effectiveness of the COVID-19 vaccine among the dental team.

Question of the Week

In your opinion, how important is it for dentists to talk with patients about COVID-19 vaccination?



- Extremely important [33%]
- Very important [32%]
- Moderately important [22%]
- Slightly important [8%]
- Not at all important [5%]

Insight: Most dentists believe it is important for dentists to discuss COVID-19 vaccination with patients.

Question of the Week

Have you been receiving questions from patients regarding COVID-19 vaccination?



Insight: Dentists are receiving questions from patients regarding COVID-19 vaccination and generally feel prepared for these conversations.

Do you feel prepared to discuss COVID-19 vaccination with your patients?



● Yes ● No ● Not sure

Would it be helpful to you to have patient communication materials on COVID-19 vaccination from the ADA?



Question of the Week

Looking ahead to 2021, how confident are you in the recovery of:



- Very confident
- Somewhat confident
- Neither confident nor skeptical
- Somewhat skeptical
- Very skeptical

Insight: Dentists at this stage are cautiously optimistic about the dental care recovery in 2021.

Insights from Consumer Polling



AMERICA STANDS AT AN INFLECTION POINT.

Consumers are now more concerned about the economy than the health crisis. What does that mean as our society attempts to go back to normal? We just completed the fourth wave of a twice-monthly tracking study that listens to the voice of the consumer.

Through surveys, in-depth interviews, social media analyses, and online dial tests, we address a variety of timely questions:

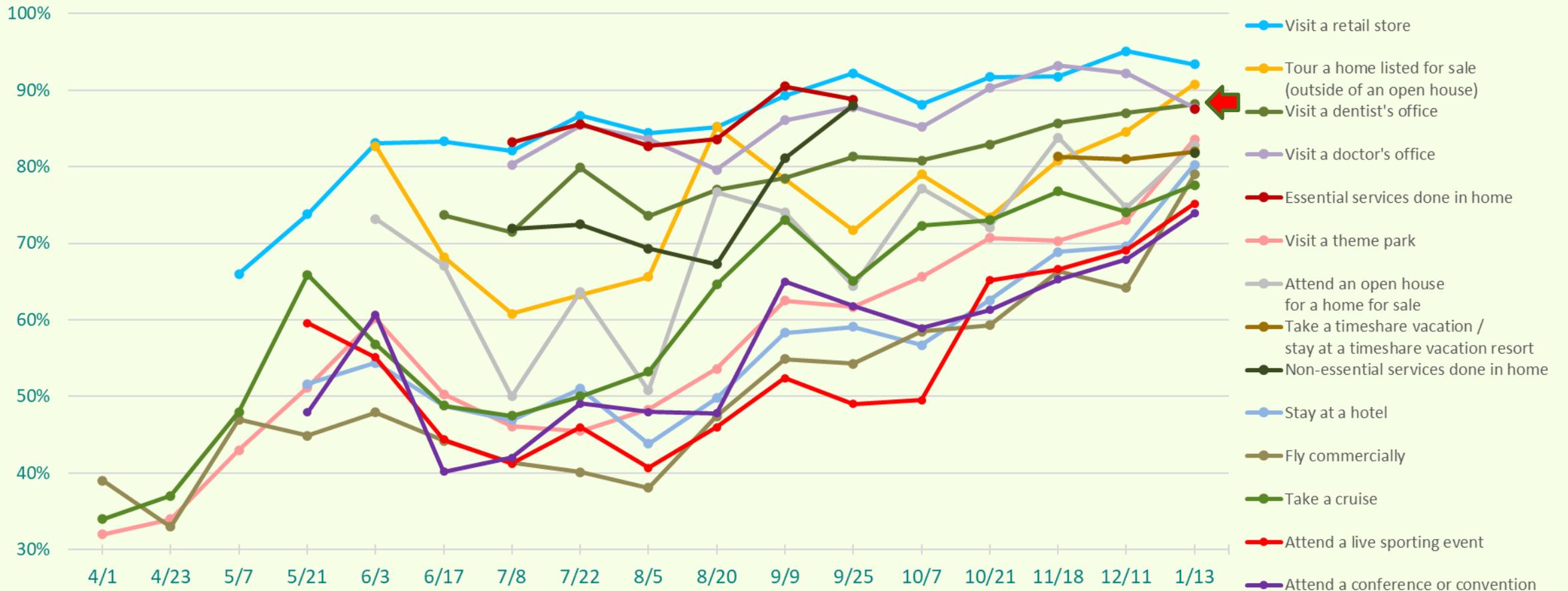
- **What's it going to take to bring consumers back?**
- **Where is the greatest pent-up demand?**
- **What will the new normal look like?**
- **How do employers and employees navigate a workplace return?**



We partnered with Engagious, a leading consumer research firm, to explore consumer sentiment toward visiting the dentist during the pandemic.

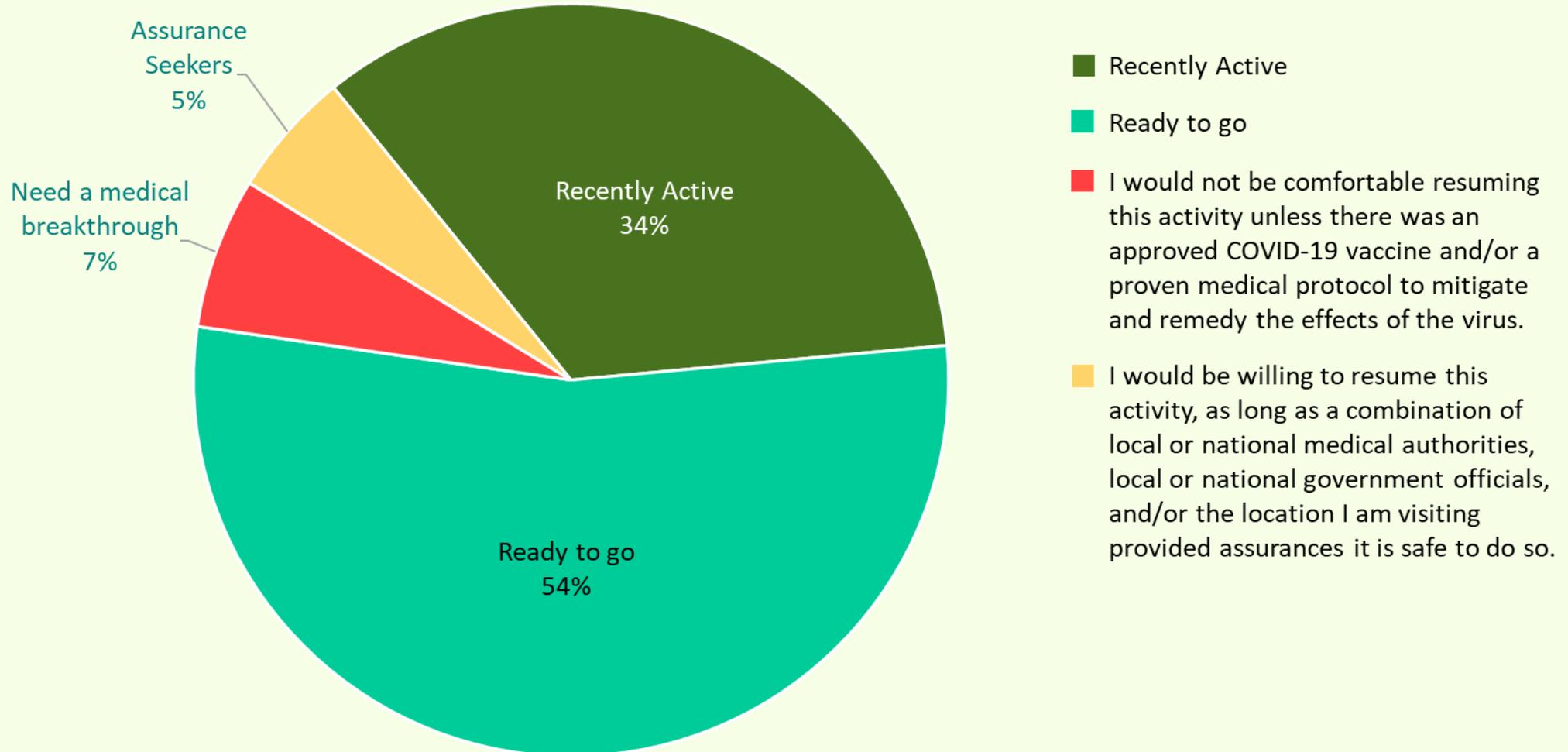
READY TO GO + RECENTLY ACTIVE CONTINUE UPWARD TREND

[Among those who have done this activity in the past 12 months:] For each of the following activities, please indicate which of the following conditions is closest to your current point of view: Recently active + Ready to go



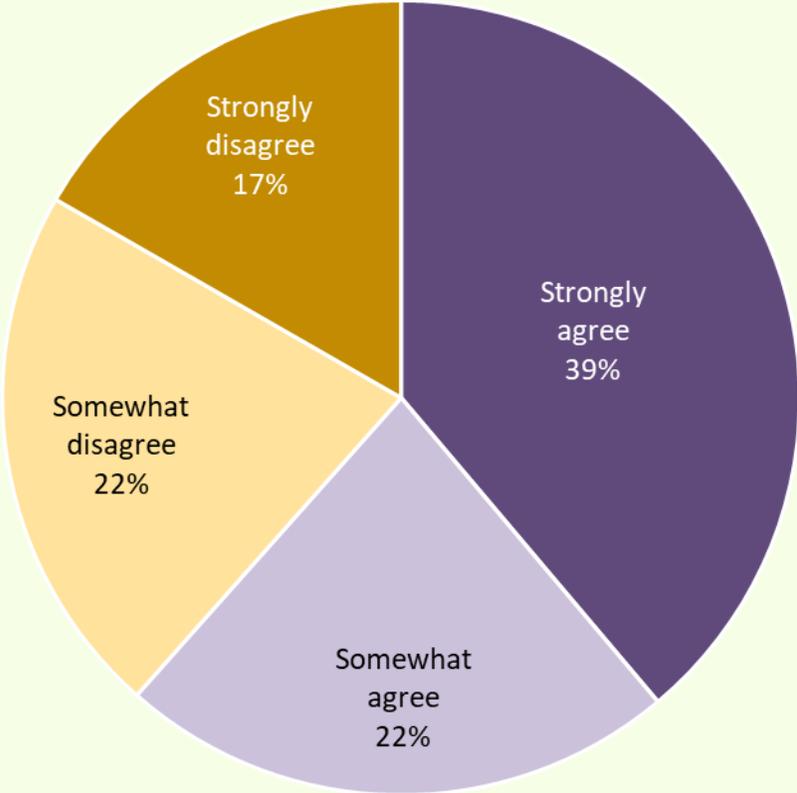
WAVE 17: DENTISTS

Which of the following conditions is closest to your current point of view... Visit a dentist's office



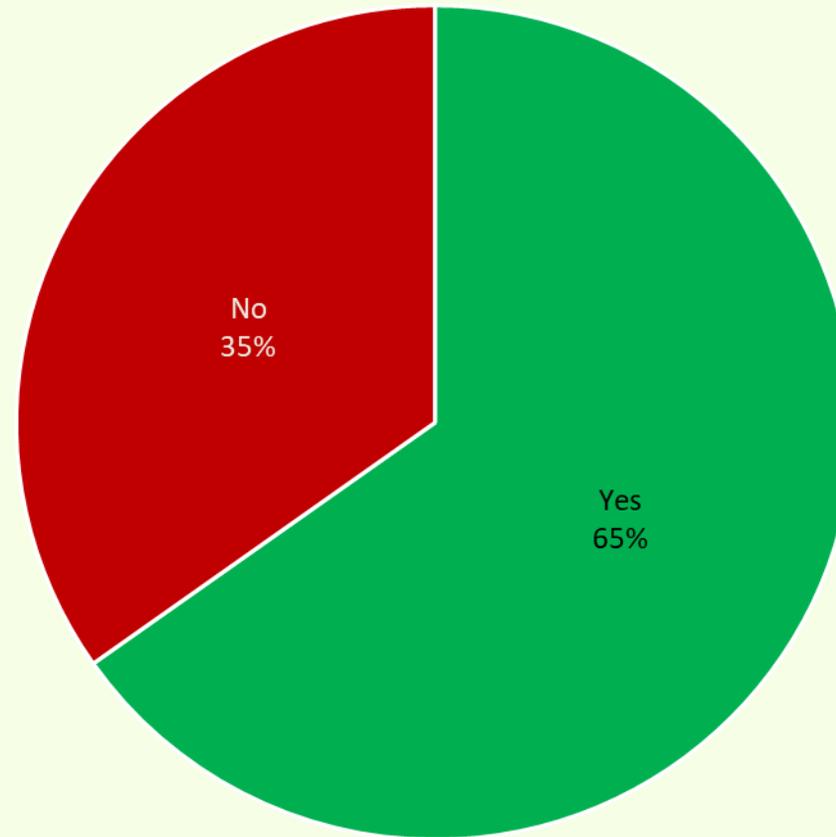
MAJORITY SAY IT'S SAFER TO VISIT THE DENTIST NOW

It is safer to visit the dentist now than it was back in April.



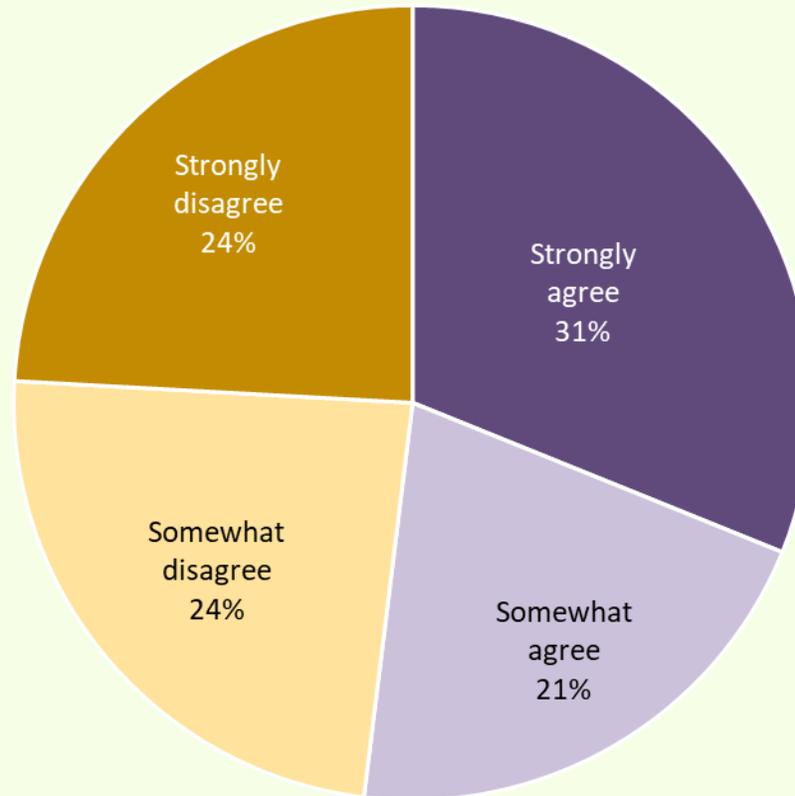
2/3 WOULD GET COVID VACCINE AT THE DENTIST

If you were already scheduled for a routine dental visit, would you be willing to get a COVID-19 vaccine while at the dentist's office?



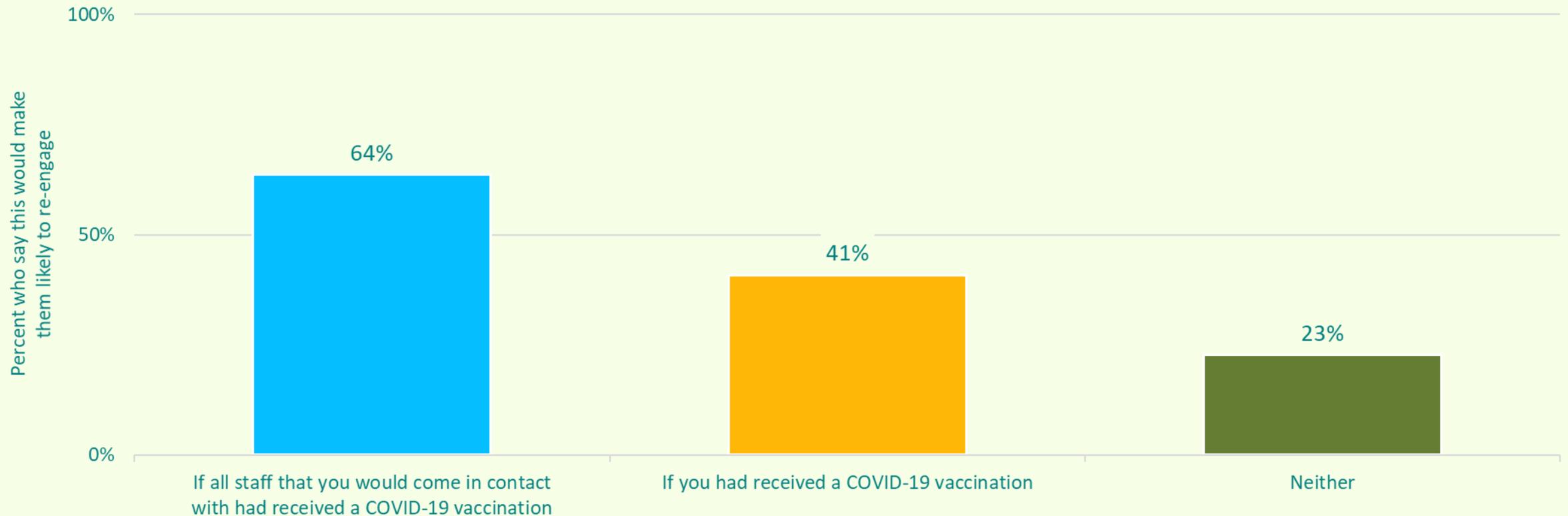
THE PUBLIC IS SPLIT ON DENTISTS AS A SOURCE ON VACCINE INFO

Dentists can be a trusted source of information regarding the COVID-19 vaccine.



HESITANT PATIENTS WOULD RETURN IF STAFF IS VACCINATED

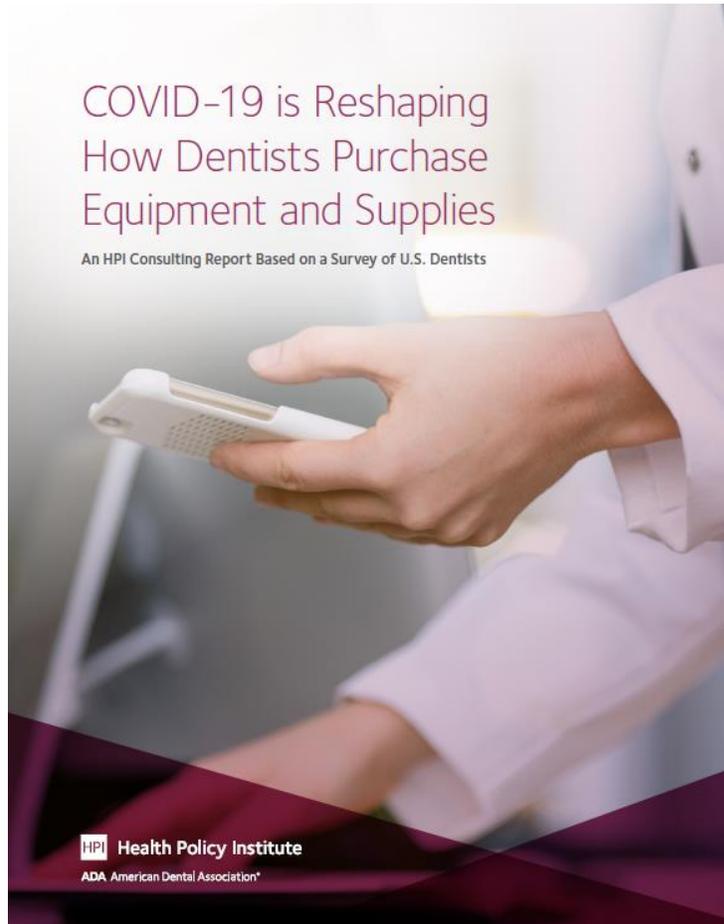
[Among those who are hesitant to visit a dentist:] Please indicate whether either or both of the following conditions would make you likely to immediately re-engage in visiting a dentist's office.



Key Take-Aways from the Week of January 18th

- **Recovery and Renewal:** As of the week of January 18th, patient volume was estimated at 80% of pre-COVID-19 levels on average. Staffing in dental offices was at 99% of pre-COVID-19 levels and four out of five employee dentists were being paid fully.
- **Financial Sustainability:** Over the past month, nearly a third of dentists raised fees. Others responded to the financial challenges of practice ownership by taking out loans, reducing their dental team hours, and changing suppliers. Retirement rates have not changed due to COVID-19.
- **Vaccine Issues:** Dentists are eager to be vaccinated. Other members of the dental team do not have as much confidence in the safety and effectiveness of the COVID-19 vaccine. The majority of the public would be interested in getting vaccinated at their dentist's office if available, but they are split on whether dentists are a trusted source for vaccine information.
- **Consumer Sentiment:** Consumer confidence in returning to the dental office hit a new maximum, with 88% who have already been back or are ready to go. It is unlikely the remaining 12% will get back to the dentist before COVID-19 is under control.
- **Outlook for 2021:** The sector has recovered nearly fully in terms of hiring and employment. Patient volume has recovered to the 80% range compared to pre-COVID-19 levels. In our view, patient volume still has upside growth potential, but this is crucially tied to vaccine rollout. Based on this, we don't anticipate full recovery until the summer or fall.

New HPI Consulting Report



This 150-page report provides the dental industry with up-to-date insights into the purchasing habits and preferences of dentists. Highlights include:

- *How dentists' approach to shopping for supplies has changed since the pandemic began.*
- *Measures dentists have taken – or might take in the future – to help maintain the financial sustainability of their dental practices.*
- *Views about in-person sales rep visits before and during the pandemic.*
- *Dentists' views on what manufacturers and distributors can do to help them recover and adapt to a new normal.*

Purchase report at www.ada.org/hpi

Thank You!



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